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Testimony of Lt. Governor Paul Cellucci
Committee on State Administration
Wednesday, October 21, 1992

Thank you and good afternoon. I appreciate the opportunity to testify on behalf of House bill 6085, "An Act Relative to the Establishment of the Massachusetts Development Agency." The Governor and I are convinced that passage and implementation of this legislation will restore the Commonwealth's position of leadership in the field of economic development.

It's important to set the context for this bill -- and for the Jobs Creation Package as a whole. We're faced with a situation in which the future looks bright, but our present condition is unacceptable and we need to chart a course for recovery. The simple fact is: our communities need jobs. If the people who represent those communities don't recognize that, or if they don't feel it's the government's responsibility to do what it can to encourage new jobs, then they've lost an important connection to their constituents, and they are no longer effective representatives.

Several weeks ago, we offered the Legislature a golden opportunity to take strong action for jobs with the introduction of this package. Every component is designed to spur investment and to promote growth where it didn't exist before.

H. 6085 was crafted out of the realization of a hard truth. Like some of our superstar industries of the past, our state economic development system has lost its edge. Massachusetts quasi-public agencies in the 1970's and 1980's were hailed, studied and copied nationwide as bright new ideas on how to promote economic development.

Times have changed, needs have changed, yet our state economic development system has not changed with them. Other states did adapt, and now we find ourselves playing catch-up in the competition for expanding and relocating companies.

The July report from the Governor's advisory committee on the quasi-publics was the first strategic analysis of the quasi-public system since 1977. Isn't it about time we took a hard look at our system as to whether it is geared to today's economic realities?

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The legislation before you, H. 6085, is drawn from the advisory committee's findings and recommendations. The committee identified two critical goals for our system: 1) that it be "user-friendly," and 2) that it be strategically directed in response to our economic development goals.

Incidentally, the individual quasi-publics were found to be exemplary. Our intent is to leave them intact while overhauling the system in which they operate. That's what the Massachusetts Development Agency structure would do. The MDA would serve as an umbrella organization for the state's economic development agencies, providing a comprehensive and coordinated economic development delivery system. It would offer the two most commonly-desired services for business assistance.

One is regional access. The advisory committee found that only 10% of all quasi-public lending reaches Western Massachusetts, and that business customers are forced to travel to Boston because all but one of the quasis are headquartered there. The MDA would cooperate with the state Office of Business Development to establish 3 to 5 professionally-staffed regional offices.

The second is one-stop shopping. Over and over again in the fact-finding meetings, business customers expressed their frustration to the advisory committee about having to make ten phone calls and fill out ten applications, await the decisions of ten boards -- who has the time or the patience for that, especially when other states don't have that hassle? H. 6085 offers more than just one-stop shopping -- it offers one-stop decision-making.

Emerging-technology companies at this moment are considering options for manufacturing sites and locations for other expansion plans. We've heard their frustration with the system as it exists now, and we're offering a comprehensive plan to fix it. No more delays, no more window-dressing -- just a realistic, practical plan for action that will prevent the flight of well-paying, stable jobs from Massachusetts.

But none of this will happen if the Legislature continues to treat our package with a business-as-usual attitude. Everyone knows that the legislative leadership is equipped with a great deal of sophistication when it comes to controlling the progress of a particular bill. They know how to fast-track legislation they like and how to obstruct legislation they don't like.

Given the fact that this legislation and the rest of the Jobs Creation Package has been in the possession of the Legislature for several weeks now, which message does that send to the hundreds of community leaders and business people from all across the state who foresee growth in their regions if we enact these provisions? The business community has sounded a call to duty. Our economy needs the legislature to act with the same sense of urgency.

Let's end the stall on this package. If there's disagreement -- let's get it out in the open. If someone has a different idea or suggestion -- let's discuss it. Just don't let this package die by letting it sit.

When dismal economic figures are reported, we hear a lot of rhetoric from legislators about the need for strategies and action. Well, here's our strategy, and it's ready to be implemented to produce new jobs by Christmas. Now let's have some action.

Thank you.